

SENATE BILL 450

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B2

2004 Regular Session
4r2286
CF 4r1399

By: **Senators Jones, Hughes, and McFadden**
Introduced and read first time: February 5, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Lyric Opera House**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$ 1,000,000,
4 the proceeds to be used as a grant to the Board of Trustees of the Lyric
5 Foundation, Inc. for certain development or improvement purposes; providing
6 for disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; requiring the grantee to grant a certain
8 easement to the Maryland Historical Trust; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore
15 City - Lyric Opera House Loan of 2004 in a total principal amount equal to the lesser
16 of (i) \$1,000,000 or (ii) the amount of the matching fund provided in accordance with
17 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
18 State general obligation bonds authorized by a resolution of the Board of Public
19 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
20 the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Trustees of the Lyric
30 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
31 construction and capital equipping of a new stage house and the opera house, located
32 in Baltimore.

1 (4) An annual State tax is imposed on all assessable property in the State in
2 rate and amount sufficient to pay the principal of and interest on the bonds, as and
3 when due and until paid in full. The principal shall be discharged within 15 years
4 after the date of issuance of the bonds.

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund. No part of the grantee's matching fund may be provided, either
8 directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. No part of the fund may consist of real property, in kind
10 contributions, or funds expended prior to the effective date of this Act. In case of any
11 dispute as to the amount of the matching fund or what money or assets may qualify
12 as matching funds, the Board of Public Works shall determine the matter and the
13 Board's decision is final. The grantee has until June 1, 2006, to present evidence
14 satisfactory to the Board of Public Works that a matching fund will be provided. If
15 satisfactory evidence is presented, the Board shall certify this fact and the amount of
16 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
17 amount of the matching fund shall be expended for the purposes provided in this Act.
18 Any amount of the loan in excess of the amount of the matching fund certified by the
19 Board of Public Works shall be canceled and be of no further effect.

20 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
21 to the Maryland Historical Trust a perpetual preservation easement to the extent of
22 its interest:

23 (i) On the land or such portion of the land acceptable to the Trust;
24 and

25 (ii) On the exterior and interior, where appropriate, of the historic
26 structures.

27 (b) If the grantee or beneficiary of the grant holds a lease on the land
28 and structures, the Trust may accept an easement on the leasehold interest.

29 (c) The easement must be in form and substance acceptable to the Trust
30 and any liens or encumbrances against the land or the structures must be acceptable
31 to the Trust.

32 (7) The proceeds of the loan must be expended or encumbered by the
33 Board of Public Works for the purposes provided in this Act no later than June 1,
34 2011. If any funds authorized by this Act remain unexpended or unencumbered after
35 June 1, 2011, the amount of the unencumbered or unexpended authorization shall be
36 canceled and be of no further effect. If bonds have been issued for the loan, the
37 amount of unexpended or unencumbered bond proceeds shall be disposed of as
38 provided in § 8-129 of the State Finance and Procurement Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
40 June 1, 2004.